

65A-6-9 Shut-in gas wells.

- (1) Under a mineral lease for oil and gas, gas is considered to be produced in paying quantities from a shut-in gas well if the shut-in gas well is capable of producing gas in paying quantities, but the gas cannot be marketed at a reasonable price due to existing marketing or transportation conditions.
- (2)
 - (a) The division shall make rules establishing:
 - (i) a minimum rental or minimum royalty for a shut-in gas well that is considered to be producing gas in paying quantities; and
 - (ii) the basis upon which the minimum rental or minimum royalty shall be paid.
 - (b) The minimum rental or minimum royalty may not be less than twice the annual lease rental.

Amended by Chapter 294, 1994 General Session